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ABSTRACT

This module on maximizing occupancy is intended to cover the basic framework for analysis of occupancy in accommodations and for identification of ways to improve it on both a long-term and day-to-day basis. The material is presented in a self-instructional format in seven sections. At the beginning of each section is a statement of the objectives that will be achieved as a result of working through the material that follows. Users of the module are asked to relate information given in the text to their own experience and knowledge. Where appropriate, suggested solutions to these questions are given on the opposite or following page. The seven sections cover these topics: (1) occupancy trends and objectives; (2) keeping customers satisfied; (3) reaching new customers; (4) pricing strategies; (5) overbooking; (6) setting up a reservations control system; and (7) other reception control systems. (YLB)

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OPERATIONAL MANAGEMENT PROGRAMME

Accommodation Management
MODULE

OPERATIONAL
MANAGEMENT
PROGRAMME

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MAXIMISING OCCUPANCY

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HOW TO USE THIS UNIT

The material in *Maximising Occupancy* is presented in a self-instructional format. At the start of each section is a statement of the objectives you will be able to achieve as a result of working through the material that follows.

From time to time you will be asked to relate information given in the text to your own experience and knowledge. Space is provided below these activities for you to write your answers. Some suggested solutions to the questions are given on the following page.

INTRODUCTION

In *Maximising Occupancy* you will cover the basic framework for analysis of your current occupancy and for identifying ways of improving it on both a long term and day to day basis.

You will find a number of major practical ideas to consider within these pages, but the possibilities cannot be exhaustive. Once you understand the business parameters within which you are working, there is always room for individual inspiration and initiative. This self-study unit should therefore be considered as an approach to the objective of filling more rooms, which can be considered whatever the size or style of hotel. It is not intended to be a definitive list of suggestions.

More detail of reception and front office procedures is given in the HCTC/Macmillan Education *Guestcraft* book: *Front of House Operations* and in the accompanying video *A Good Reception*.

SECTION 1
Occupancy trends and objectives

After completing this section you will be able to:

- identify the hotel's booking patterns and trends
- estimate future occupancy levels
- establish objectives.

Reception and front of house managers and supervisors have a responsibility to maximise occupancy. This involves close cooperation with housekeeping, with the hotel's senior management, and with any staff who are specifically involved in sales, promotion, and guest relations.

Maximising occupancy means:

- encouraging people to buy your facilities
- ensuring your control and administration systems enable your facilities to be sold in the most effective way — so that the highest possible revenue is earned from room sales, and every potential sales lead is followed up.

UNDERSTANDING YOUR BUSINESS

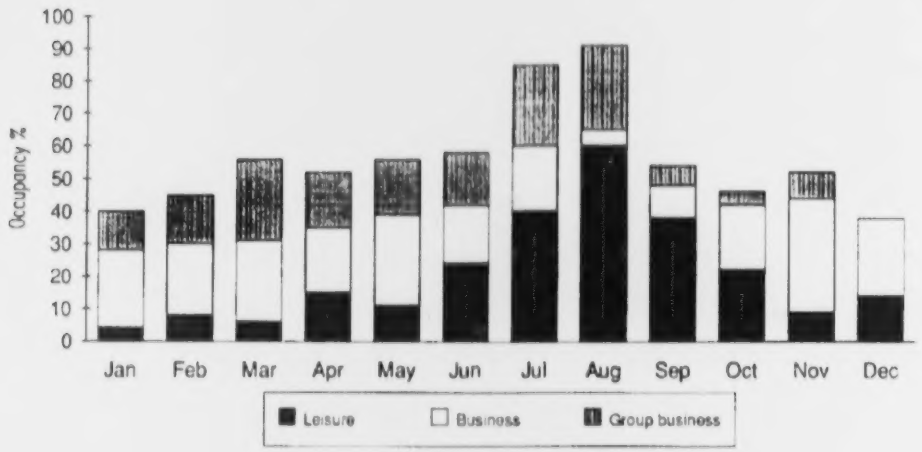
Before you can begin to improve occupancy you have to have a clear understanding of current occupancy levels through assessing:

- past business
- any outside influences which may affect future business.

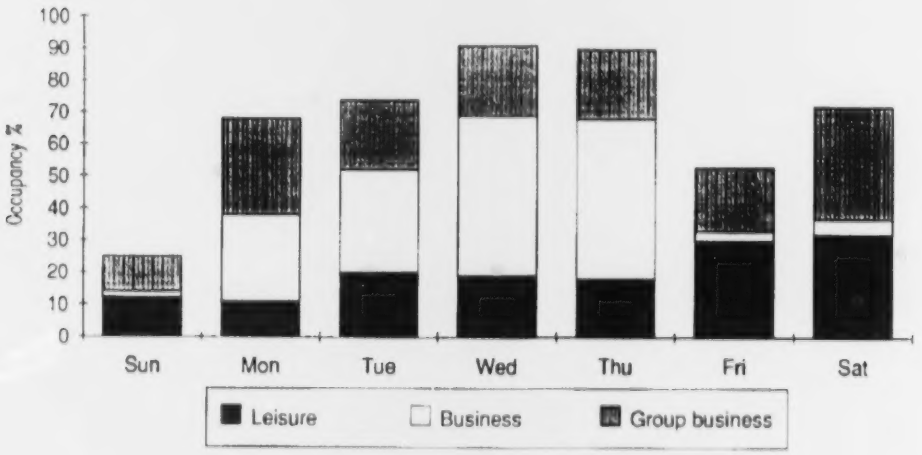
If your reservations department is computerised it will probably be easy to call up occupancy figures and the computer may be able to create bar charts to cover different periods. However, even if your records are written ones, it is fairly straightforward to draw up charts which give a visual picture of the situation. These make it possible to see at a glance where high and low spots fall.

Study the two bar charts on the opposite page, then on the page overleaf draw up charts which give similar information for your hotel. If you do not have figures easily available on the source of business, you may wish to estimate them for the sake of this exercise. You may also wish to show other, or different sources of business, for example inclusive tours, short breaks, conferences, overseas tourists.

1. Monthly occupancy: International Hotel



2. Occupancy for typical week in summer: International Hotel



By drawing up bar charts of month by month business for the last few years, you may well be able to spot upward or downward trends. You may also be able to identify what affect outside influences have had, such as a bad-weather summer, or a drop in the exchange rate.

Similarly, weekly patterns will be affected by such variables as an exhibition in town or school half-term, and the weekly pattern may be quite different in different seasons of the year.

Check further for other patterns such as single/twin/double room usage or single usage of double rooms because these will all be relevant to what action you need to take to maximise occupancy and profitability.

What else do you know about your guests and business pattern? Use the space below to make notes.

MAXIMISING OCCUPANCY

Did you consider the following:

- How much do you rely on off-the-street trade or are you in a secluded location?
- What percentage of your bookings are made in advance? How far in advance?
- What business do you have to turn away because the hotel is already fully booked?
- What percentage of bookings fail to be honoured (no-shows)?
- How many nights do guests stay typically? Is this different for leisure/business/group travellers?
- What proportion of your guests are foreign and UK visitors? If foreign, from what countries, if UK from what areas?
- If they are tourists, what are the proportions of couples, families, pensioners?
- What proportion of guests typically pay full rate for their accommodation, and how many are at other special room rates?
- Are certain types of room more popular than others? Knowing the average rate per room per guest is not very useful when there is an important difference in size, style and price of room.

Study the graphs you have drawn to identify the weak spots. Make a note of these below. Also comment on whether there is a need for improved occupancy much of the time, or whether it is isolated seasons or days of the week.

Maximising occupancy means looking at profitable occupancy, not just percentage occupancy. It is almost certainly a better thing to have a hotel full with old age pensioners on a cut-price holiday than it is to have an almost empty hotel. But if accepting the booking for the cut-price holiday means turning away bookings which come in later from people prepared to pay the full tariff, the situation is not so satisfactory.

When looking at your occupancy levels, do any other considerations present themselves, such as a certain section of your market having dropped away for no apparent reason, or the number of customers paying the full rate declining? Note these below.

FORECASTING

From past history, trends and current booking levels, forecasts can be prepared of occupancy levels over the week, months or year ahead. These forecasts will help front of house staff and management focus their activities more precisely. Action can be taken to combat anticipated shortfalls. Staffing levels can be planned. Objectives can be set. Purchasing decisions can be made more accurately.

Note below how occupancy forecasts can help the work of each of the departments of your hotel.

ALL DEPARTMENTS

- plan staffing levels:
  - — draw up staff rosters
  - — arrange and seek approval for overtime
  - — agree staff holidays and days off
  - — book casual or temporary staff
- order supplies to meet the anticipated level of business, taking account:
  - — of perishability, for instance, of foodstuffs
  - — ordering time and delivery frequency
  - — cash availability (to pay suppliers)
- plan redecoration and maintenance work

HOUSEKEEPING

- plan cleaning routines
- carry out periodic or 'spring' cleaning
- ensure adequate linen available

RESTAURANT

- determine level of outside bookings which can be accepted
- re-arrange restaurant seating to accommodate conference/inclusive tour parties who want to sit together
- arrange extra seating (in a function room, for example) for periods of very high occupancy

KITCHEN

- plan menus

In the space below, draw up an occupancy forecast for your establishment for the next six months (or a more appropriate period). Present the information in the form of a bar chart similar to those you drew on page 6.

In preparing your forecast, did you consider:

- seasonal variations in your business
- national and regional economic trends, for example, rising/dropping unemployment, buoyant/depressed stock market, business confidence, dropping/increasing interest rates
- economic factors affecting particular sectors of your market, for example, drop in visitors from USA and Canada, increase in popularity of self-catering holidays, slow-down in conference market, fewer exhibitions
- change in holiday/leisure patterns
- new competition, for example, the opening of a new hotel or leisure facility in the area
- pricing strategies of your competitors
- marketing and promotional activities underway/planned by your hotel, and, if appropriate, by local tourist board
- change in range of facilities/services offered by your hotel, making it more attractive to potential users
- increase/decrease in the rooms available

No matter how carefully forecasts are prepared, there will always be unforeseen circumstances, such as a bad weather, outbreaks of terrorism, major transport difficulties, which cannot be allowed for.

SETTING OBJECTIVES

For yourself as well as for your staff, it is essential to define your objectives in specific terms and review regularly whether you are meeting the objectives, or making good progress towards them.

Objectives alone can be a motivating factor which help improve occupancy and are all the more effective when staff are trained in the specific ways they can contribute to the outcome.

Creating a motivated team is a management skill which needs more exploration than there is space for here but, obviously, all the staff must know the objectives and how they can contribute. They must also be regularly up-dated on how well they are succeeding. (For more details see *Leadership and Motivation*, an HCTC self-study unit in the *Supervisory Management* module.)

Two more important points should be made about objectives:

- they should be realistic
- they should be meaningful.

Consistently failing to come anywhere near meeting objectives is a de-motivating factor for anyone, so it is important to be realistic in your expectations. There may be urgent constraints, such as returning to profitability, which will determine what the objectives are but, even so, it is better to be realistic about how many months it will take to achieve this than it is to set a goal which everyone knows cannot be reached. If you are setting objectives for the first time, a few months experience should enable you to find the levels which will challenge staff to stretch a little further and move you towards your longer term objectives.

As well as being realistic, objectives must be meaningful and have an appropriate time scale for the people who have to achieve them.

Your objectives might be to improve occupancy by 10% across the next three months but, to the reservations staff, it may be a lot more meaningful to specify that they need to sell 50 more double rooms in the course of a week. Similarly, if your average midweek occupancy is 70%, dropping to 35% at weekends, it will be more useful to staff to know that the aim is to sell 5 more rooms each weekday at the normal room rates, and at weekends to sell 10 more weekend breaks. A drop in occupancy against forecast of 5% has less impact that the knowledge that room revenue is down £1500 per night.

Compare a recent occupancy forecast for your establishment with what was achieved — perhaps for the last month. Note below what the reasons were for the differences. If occupancy was lower than forecast, find out what steps were taken to improve business, and the effect these had.

Now comment on what steps you might take to ensure that your staff are motivated to achieve, or better the forecasts you made on page 11 for the next six months.

Here is a three-part bonus system for staff you can consider.

1. A monthly objective, based on proposed annual turnover, is defined at the beginning of the year. This motivates staff when enquiries are made for bookings well in the future.
2. Two weeks before the beginning of each month a further objective is agreed, giving the opportunity to set a realistic level which may be higher or lower than the original figure, depending on what looks achievable at this point. By dividing the month into weeks you avoid the situation where, if the first two weeks are bad, the staff give up trying for the rest of the month.
3. The third part allows for an 'outstanding performance' bonus. If both the first two figures look likely to be exceeded, an even higher goal can be set as a further incentive.

Careful thought needs to be given to the monetary reward attached to achieving each of these objectives and this will depend on a number of factors, such as the hotel's profitability and the number of staff involved, but obviously it needs to be sufficiently valuable to the staff to be motivating.

Once you have defined what you are trying to achieve, you will be in a better position to judge which of the ideas in the rest of this unit will have the most relevance for you.

The next section looks at keeping existing customers satisfied: encouraging them to come back, persuading them to spend more.

SECTION 2
Keeping customers satisfied

After completing this section you will be able to:

- assess your product and the competition
- name some low cost ways of improving service
- help your staff handle enquiries and complaints, and play their part in maximising occupancy.

If your investigations have shown you that your hotel is fairly consistently performing worse than you desire, or is only full when there is an extreme shortage of rooms in the area, the first question to ask yourelf before you consider spending money on promotions or attracting new guests in other ways, is:

Are you giving customers what they want?

This may seem a really obvious point but it is only too easy to overlook. It's possible that standards have slipped, guests expectations have changed or the competition is giving them more of what they want.

Many people are very reluctant to voice complaints but simply don't come again. A short questionnaire in each room could highlight areas of dissatisfaction. An example was given in the section *Meeting customer needs* of the first self-study unit in this module, *The Accommodation Operation*. Opposite is another example, which even the smaller establishments could have printed.

PLEASE TELL US WHAT YOU THINK

We hope you have enjoyed your stay with us. In order to help us give you the service you want, please could you answer these few questions and place this card in the box provided at reception.

How would you rate this hotel?

Excellent ☐ Good ☐ Fair ☐ Poor ☐

Is there anything you particularly like about this hotel?

Is there anything you feel could be improved about this hotel?

Would you stay here if you were in the area again?

Yes ☐ No ☐ Maybe ☐

Please could you indicate how you heard about this hotel:

Recommended by friend/colleague ☐

Saw advertisement ☐ (please state publication) ----------

Other (please specify) ----------

Name ----------

Address ----------

(You may leave this anonymous if you prefer)

THANK YOU FOR YOUR HELP.

As well as asking guests directly what they want in this way, you should frequently update yourself on what similar hotels in the area are offering. How do their facilities and prices compare with yours?

Are your facilities all they should be — for example:

- staff uniforms clean, well-pressed and in good repair
- equipment in guest rooms working properly: television, radio, beverage-making, hairdryer, trouser press, telephone, mini-bar
- standard of decoration and furnishings in guest rooms and public areas
- parking
- access and facilities for disabled guests.

Obviously some things can and should be rectified, others may be financially impossible or space may not available, and they have to be lived with or compensated for in other ways.

You should also consider whether your staff are giving the right impression. Good facilities and competitive prices lose much of their attraction if staff are unwelcoming or performing their duties inefficiently. List below some ways in which staff can help create a good impression for the guests in your establishment.

THE ROLE YOUR STAFF CAN PLAY

The impression a customer gets of a member of staff will affect the impression he or she gets of the establishment as a whole.

Staff are in a position to be able to make the customer feel at home in what may be to him or her a strange environment.

Impressions are created by how staff appear, and by how they behave. Staff who:

- are smart in appearance
- keep their workplace clean, tidy and safe
- show a pleasant, friendly attitude
- attend to the customer promptly
- use the customer's name
- put customers at their ease
- are able to answer guests' questions (or find someone who can)
- describe facilities and services in a helpful way
- anticipate problems and act quickly to put matters right
- deal effectively with complaints
- use appropriate body language, and respond to guest's body language
- show a helpful attitude to other members of staff

will give a good impression.

List below the sort of information your customers should be able to get from a member of your reception staff.

- rules and policies of hotel (such as are children allowed in the leisure centre)
- names of management and heads of department
- if your hotel is part of a chain or consortium, where sister establishments are located and how bookings can be made
- the rooms available, their position and what facilities they have
- opening times of restaurant, bars and leisure centre
- menu (restaurant and room service), dishes of the day
- whether booking is required for restaurant
- leisure facilities
- entertainment in the hotel and nearby establishments
- conference, meeting and exhibition facilities available
- special events
- special offers
- facilities for children
- access for disabled
- parking
- road and motorway routes in vicinity
- timings of church services
- bus and train times
- how to book airline/train/bus tickets
- how to get an urgent letter typed/faxed

When a customer gets an inadequate or wrong answer, or staff have forgotten to do something, the customer will feel disatissfied. Even in the best run establishment, things can — and do — go wrong:

- equipment or supplies are broken, damaged or missing
- a message has not been passed on
- a customer has been kept waiting
- a customer feels he or she is not getting value for money
- something which the customer expects is not provided.

Customers do not enjoy making a complaint. And between 65% and 95% of dissatisfied customers who do not complain will not visit your hotel again. Up to 95% of dissatisfied customers who do complain will become loyal customers if their complaints are handled well and quickly. So think of your customer who complains as doing your hotel a favour. All you have to do then is to make sure that by the time the customer leaves the premises he or she is fully satisfied.

Compare your procedure for dealing with complaints with the one opposite (reproduced from Guestcraft: Front of House Operations*) and note other ways in which your staff can help to convert dissatisfied customers into loyal customers.*

1. *Listen to the complaint until the customer has finished speaking. Do not interrupt.*

2. *Apologise but do not admit that you, or the establishment are to blame.*

3. *Do not make excuses or blame anyone else, especially the customer.*

4. *Never argue, disagree or become aggressive.*

5. *Keep calm and remain polite.*

6. *Try to put the problem right yourself. If you cannot, get help from your supervisor or manager.*

7. *Never offer something the establishment cannot provide.*

8. *Thank the customer for bringing the matter to your attention.*

9. *Check afterwards that the customer is satisfied with the action taken.*

10. *Record the complaint according to the policies of your establishment, and make sure your supervisor knows.*

If possible take the person with the complaint to another room or more private area. It is never a good idea for other customers to hear other people's complaints because they may lose confidence in your establishment.

Selling by staff

Remember it can easily be staff attitudes that leave a lasting impression for good or ill. Guests who feel welcome and are treated like individuals are far more likely to come again and recommend you to their friends. That chain of recommendation is, in itself, one of the surest and cheapest ways of ensuring occupancy keeps expanding and profitability improving.

Every member of staff should be trained to realise their role in keeping guests happy and ensuring their return. They should realise their interest in guests, and encouragement to use the facilities, can make a significant difference to the hotel's profitability.

Although staff training in service and sales cannot be covered in detail here, the suggestions on the next two pages will demonstrate the spirit which can contribute to the sales effort.

On arrival

Guests should be made to feel really welcome! Having receptionists trained to explain the relevant facilities and their location to new guests fulfils the dual function of making the guests feel more at home and encouraging use of other profit centres in the hotel, such as the restaurant and bar. The receptionist could even ask if the guest would like a reservation made in the restaurant for the evening, if it is likely to be busy. Guests who have visited the hotel before, should be welcomed with 'It's nice to see you again Mr/Ms Brown'.

Dealing with enquiries

Receptionists should watch and listen carefully for clues about customer's needs (for instance the guest who has just booked in stretching his arms and rolling his head in discomfort, or who comments on how uncomfortable she has found the seats on the coach), and suggest what else the customer might require (a workout in the hotel's fully-equipped gym). If a customer asks for something the hotel does not have, the receptionist should suggest a substitute: 'I'm sorry, Miss Gimble, but there are no coach trips arranged for this afternoon. But I can arrange for you to join the guided walk around the old town.' In some instances the receptionist will be able to sell something more expensive than the customer had initially planned. So, having noticed that the customer is in a celebratory mood: 'You will find the service and food in our Brunel Restaurant first class, and there is music and dancing tonight with one of the town's best bands playing.'

On departure

When guests request their bill, the receptionist should always say 'We hope you'll stay with us next time you're in town' or words to that effect. Regular guests can be asked 'Will you be back soon? Would you like me to make a reservation for you now? We're likely to be busy in the next few months and we hate to disappoint our regular guests.'

Checking correspondence

Looking through each day's booking confirmations and enquiries well in advance can often spotlight an area of potential business. Examples include:

- A few bookings for different branches of one company may suggest they have a function in the area — a polite enquiry to one of those who have booked will help you find out if there are other people who may require accommodation. If it is an annual function, such as a conference or company dinner, there may even be possibilities for pitching for next year's business.
- A few bookings from people in a similar trade for the same period may suggest an exhibition or trade fair in the area. For instance, you may notice several bookings from car dealers of a particular make of car.
- Letters may state 'I'm coming for the Badminton Championships' and make your job even easier. Staff should be asked to note this sort of information when it is given over the telephone too.

Keeping important customers happy

It is important to have a system for monitoring the volume of business generated by good regular customers, such as large companies or travel agencies. This can be checked quite simply with your accounts department.

By keeping a close watch on expenditure levels, allowing for whatever seasonal variations are appropriate, it is possible to see if business is declining inexplicably. This may be an early warning that the client has a dissatisfaction with the hotel and is putting business elsewhere. An invitation to lunch or dinner and the chance to discuss the client's needs may well provide the opportunity to put matters right. Of course, important clients should be entertained every year or, if appropriate, more frequently to check their satisfaction and any changing requirements or new business possibilities, without the necessity of their business declining first!

Even if you are getting all these things right at the moment, remember to review them regularly — a disappointed guest is very difficult to win back and you may never even know you disappointed him or her. Also people's expectations and needs change over time, competitors may start offering something new or better, or the overall market may change (for example, more women business travellers or more people wanting inclusive holiday rates).

Opportunities to maximise occupancy can often be very simple and call for an alertness and responsiveness to the situation from yourself and your staff. Keeping your ears and eyes open and training staff to be part of a helpful and selling team are the essential requirements.

Sometimes small touches leave a lasting impression that creates return business, for example, according to the standard of your establishment, a complimentary cup of coffee or a glass of sherry while registration is completed. Note below a few ideas for inexpensive extras which people might appreciate.

Some possibilities:

- free shampoo/bath gel in bathrooms
- free shoe cleaner, mending kit, stain remover, toothpaste
- free newspaper in morning
- bottle of mineral water in rooms
- selection of hot beverages including drinking chocolate, decaffeinated tea and coffee, and herb teas
- free street map of the town
- an area, with magazines and books (to be read in the reading area or borrowed whichever is suitable to your hotel)
- free film channel on video.

These extras although 'free' would actually be costed into the room rate.

If you are as sure as you can be that customers are satisfied but occupancy is still low, it is probable that not enough of the right people know about you or consider that yours is the hotel they are looking for. Some of ways of getting your name and information across to potential customers are considered in the next section. Before you decide which is most appropriate for you, it is useful to consider whether you want to appeal to more of the same sort of guests, or whether you want to attract a new market.

SECTION 3
Reaching new customers

After completing this section you will be able to:

- state a wide variety of methods for publicising your hotel
- describe how products are identified in the market-place and how advertising sells them
- prepare a designer and copy-writer's brief for a promotional leaflet
- draft a press release
- use the telephone effectively.

In order to reach new customers you need a clear understanding of:

- your customers and potential customers: who they are, why they choose to buy your services and facilities, how long they stay, where they come from, how much they spend, when they come
- your business: what it is you are offering your customers, how successfully your services and facilities meet their needs, how your business compares with what competitors are offering.

From working through the first sections of this unit and the companion title *The Accommodation Operation*, you should have much of this information. You should also have a good idea of what aspect of your business you need to encourage, and what the target market is. You now need to ask yourself:

- What methods are available to reach the target market?
- What combination of methods will be the most effective?
- What time and money can and should be devoted to the exercise?
- What specific targets should be aimed for?
- How can the results be measured?

Spending time on these questions at the planning stage will help avoid:

- being pushed into panic measures by unplanned events, for example a switch in strategy by a competitor causes a sharp drop in your business, or the cancellation of a major exhibition
- concentrating on one activity only, for instance an advertising campaign in local newspapers, when its effectiveness would be greatly increased by having attractive brochures to send those who respond, following up the responses with a telephone call, and by editorial coverage in the newspapers concerned
- diluting efforts by trying to do too much at one time.

Don't try and sell a mile wide and an inch deep. It is better to try and sell an inch wide and a mile deep. In other words to be selective, to concentrate more time and resources on those markets and methods of reaching them which will obtain the better results. This doesn't mean ignoring other business sources, some promotion should continue to be aimed at them.

It is also vital to keep a wary eye on developments in the market. For example if you had decided to concentrate on selling your function and conference facilities to British business executives, you are likely to have found yourself badly caught by the recession that affected British business from the second half of 1990. Or if you had scheduled your usual series of advertisements aimed at the summer market for Christmas to February, when traditionally many holidays are booked, in 1991 you would have been better to wait until the Gulf War had ended and the public mood was more optimistic. Alternatively, you could have switched some advertising to glossy magazines, which have a longer shelf life and are received by the wealthier readership.

1. *As a reminder to yourself, list below the services and facilities you should concentrate on promoting.*

2. *List the main customer groups you should reach in this promotion.*

3. *Note as many different methods as you can think of for persuading the target market you have identified to buy the services and facilities which need promotion.*

Typical areas which require promotion include:

- low bedroom occupancy on Thursdays
- average rate earned per room is low at weekends
- average length of stay is declining
- fewer function room bookings in September and October
- fewer guests eating dinner in hotel restaurant
- sharp drop in proportion of visitors from Europe.

Target markets might include:

- corporate businesses
- exhibition organisers
- conferences which start on Sunday night
- customers or travel agents who pay promptly
- functions where the spend on drinks is good
- couples whose children have left home, and are no longer being supported or educated by them
- retired people
- longer stay guests.

Methods of persuading the target market to buy your services and facilities include:

- advertising: national press classified, local press, hotel guides, specialist press, travel trade press, conference organisers' press, airlines' flight magazines, local/national radio, TV, cinema
- promotional leaflets/brochures to be sent in response to enquiries, and given to local tourist office
- direct mail to existing clients, to names on bought mailing list
- press and public relations: special functions for press or target market, press releases
- telephone and face to face selling
- telex and fax (to confirm appointments, to tell a prospective customer that a brochure is on its way)
- posters: locally, airports, stations, taxis
- exhibitions (some hotels find it pays to take space at exhibitions which attract a particular market, for example education and training specialists, or the travel trade, in order to promote their conference facilities and accommodation)
- sponsorship, for example, of local events and encouraging staff to get involved (so keeping your name in front of the market), making donations to local charities
- videos (expensive if done professionally, but a very powerful way to conveying images and atmosphere).

CORPORATE IDENTITY

Being recognised in the market-place depends largely on having a powerful corporate identity.

The 'corporate identity' of an organisation is the set of images which identify, describe and characterise it. Very broadly, those images communicate who it is, what it does, and its position in the market.

Rolls-Royce is a good example. Whenever you see the distinctive letters RR and the statuette of the Silver Lady on the radiator you recognise a Rolls-Royce car and you know immediately what it stands for — a luxurious and comfortable car at the top end of the market. The name Rolls-Royce has become a household name, and taken on its own meaning in everyday conversation, so that one hears talk of, for example, the 'Rolls-Royce of lawn mowers', meaning the best of lawn mowers!

The readily identifiable images are mainly visual:

- colour
- shape
- design
- type style.

Consider, for example, the colour, shape, design and type style of the distinctive Harrods' logo, an international symbol of quality. Think of the Coca-Cola logo, also internationally recognised.

The impact of the visual image, when consistently used in all printed material — from stationery, brochures and direct mail leaflets, to signage — and in advertisements is considerable. Nevertheless, the corporate identity of an organisation is more than a name and a visual image selected or designed to convey a message about that organisation. The image of an organisation is reflected in many subtle ways, such as, for example, the style of the porter's uniform and the manner and tone of voice used to answer customer enquiries.

A strong and powerful identity depends on clarity, unity and consistency. When you are considering the design of your advertising and promotional literature make sure that:

- the product name and sales messages are clear, easily understood and memorable
- the same design style and colours are used in all promotional material, so that you are constantly reinforcing your image in the minds of your audience
- the message is consistent.

Companies like Rolls-Royce and Coca-Cola are well-known and recognised because they have maintained a clear, consistent identity, unchanged over many years.

Review the advertising and promotional material, stationery and signage for your establishment. Is it clear and consistent? Are the same type styles and colours used throughout? Summarise your findings and any recommendations for change below.

Do the same exercise on a local competitor, noting your findings below and the sort of impression it has given you of the style and quality of the competitor's operation?

ADVERTISING

You can advertise your services and facilities in local newspapers, national newspapers and magazines, in guides, annuals and directories, on posters, local and national radio stations, on television and even at the cinema. Whichever medium you choose, the success of your advertising will depend on sound planning, to ensure that you reach the right audience with your advertising message. Without it, even the most creative, original and powerful advertisement will fail, and if you have selected an expensive medium such as local radio, this could be an extremely costly mistake.

Successful advertising uses good design to attract the attention of the potential customer to a well expressed message which gives the necessary information about the product and how to respond if interested.

Your advertising must therefore be designed to:

- attract ATTENTION
- create INTEREST
- generate DESIRE
- stimulate ACTION.

The name 'AIDA' will help you to remember the list.

The first stage in the planning of any advertising campaign, however modest, is to define objectives, and you should therefore begin by asking yourself:

- Who are you advertising to? What is your target group?
- What do you want to say about the product? What are your key messages? What makes your product different from competitors?
- How do you want to say it? What feelings do you want to create?
- What result do you want? What do you want the audience to do if they are interested? Telephone? Write for brochure/booking form/application for membership? Visit?

Assume that you are planning an advertisement for your own establishment. Identify below:

THE TARGET GROUP

THE KEY MESSAGES

THE FEELINGS YOU WANT TO CREATE

THE DESIRED RESPONSE

The following examples may give you some further ideas.

THE TARGET GROUP

Women business executives.

THE KEY MESSAGES

Comfort: the guest will feel well rested and cosseted after a night in your hotel. Your staff are friendly, sensitive to the needs of women executives, and not intrusive.

Status: your hotel is regarded as the best in the area.

Security: your hotel is equipped with the latest security equipment to protect guests' safety, including key cards, remote control TV, spy holes in bedroom doors, safety chains, 24 hour security staff.

THE FEELINGS YOU WANT TO CREATE

Confidence that you recognise the special needs of women staying in hotels on their own.

THE DESIRED RESPONSE

Send for a brochure, make a booking.

THE TARGET GROUP

Travel agents.

THE KEY MESSAGES

Price: your hotel offers competitive rates and good value for money.

Comfort: the travel agent's clients will be comfortable and well looked after. Your hotel is very convenient for local tourist attractions, for the airport and mainline rail services.

THE FEELINGS YOU WANT TO CREATE

That you really understand the travel agent's needs, and will prove a reliable business partner.

THE DESIRED RESPONSE

Prompt the travel agents to visit your hotel to see the facilities for themselves.

Melvyn Greene in his series *131 WAYS TO DOUBLE YOUR PROFITS*, published in the *Caterer and Hotelkeeper* in 1989/90, chose an advertisement by Gleneagles Hotel as a particularly good example. Making the point that not many readers could afford a whole page, full colour advertisement in the Telegraph Weekend Magazine, Greene used the example to illustrate the important principles:

- strong headline
- copy is totally consumer-oriented and hardly mentions the hotel
- consumer is involved all the way through
- copy keeps the attention, using a mixture of long paragraphs and short ones, some only six words long
- it is problem-solving rather than product-selling
- the person to write, telex, or telephone was shown clearly, and so was the name of the marketing consortium, Leading Hotels of the World.

Opposite is how the copy read.

IT HAD BEEN ONE OF THOSE YEARS

You know the kind I mean. When the pressure never lets up. The phone never stops ringing. No one else seems able to make even the simplest decisions.

Work threatens to take over completely.

My body was sending me all sorts of signals. So was my wife. She said I was just a man she sometimes met for breakfast. She was right. We had to get away. We had to take a holiday.

Clearly there was only one solution. And no sooner had our cases been loaded into the car than the irritations of work began to seem absurdly irrelevant.

Life, after all, is for living.

With Rossini ringing in our ears and the richness of Perthshire unfurling before us, our destination, at last, came into sight.

With a familiar sense of rising expectation we viewed the Hotel. Nothing had changed. It was good to be back. The Head Porter just smiled and said "Welcome Home".

The design of advertisements is best handled by a design studio, experienced in designing for the medium which you have selected.

A design studio will produce the illustrations, typography and artwork, but you should remember that what is produced will only be as good as the brief you gave at the outset. You need to be absolutely clear what you want and what input you require from the design studio. If, for example, the designer does not use your exact logo and type-style, because he or she has not been briefed to do so, the advertisement will not reinforce your corporate identity. You should be able to tell the designer precisely where the advertisement is to appear, the size of space booked, the deadlines to be met, and the form in which the advertisement material is to be supplied to the publication (for example, camera-ready artwork).

Press advertising space, radio and television air time can be bought direct or through an advertising agency. If you have a substantial advertising budget, it is almost certainly worth using an advertising agency to design your advertisements, plan and buy the media space. This enables you to benefit from their knowledge and experience of media buying, and while they will charge for design and production (generally at higher rates than small design studios), they do not charge for media buying as the agencies are paid commission by the media owners. Using an agency will save you time and spare you the potential complications of dealing with the unfamiliar details of production.

Whoever you ask to design your advertising, the quality of the brief is vital, and that depends on your clear analysis of objectives.

Scan a variety of magazines, local and national newspapers, including colour supplements, for advertisements by hotels. Use the next two pages to classify the good examples you have spotted and comment on why you think they succeeded, and to classify and comment on the bad examples. Some of the advertisements may be good (or bad) on all aspects, others may be good at attracting attention and creating an interest, for example, but fail for some reason to generate desire, and do not stimulate action.

GOOD EXAMPLES *WHY YOU THINK THEY SUCCEEDED*

at attracting attention

at creating interest

at generating desire

at stimulating action

BAD EXAMPLES	*WHY YOU THINK THEY FAILED*
at attracting attention	
at creating interest	
at generating desire	
at stimulating action	

Media planning

The objective of media planning is to identify the best medium for the advertising in creative terms, and thereafter to provide the maximum coverage of the target audience with the maximum frequency at the minimum cost. The range of media available is wide, and your choice depends on your advertising objectives and the size of your advertising budget. In many circumstances, of course, a major media campaign would be 'using a sledge-hammer to crack a nut'.

Some advertising terms

Coverage The percentage of the target audience reached by a television or radio station, a newspaper, magazine or poster. The coverage provided by a newspaper, for example, reflects its circulation, readership and readership profile.

Circulation The number of copies of a publication that are sold. All publications will give you their circulation figures if you ask. An 'ABC' circulation figure is an officially audited one, others may be wishful thinking!

Readership The number of readers, normally more than the circulation, because any one copy will be read by more than one person.

Readership profile A description of the type of people who read a particular newspaper or magazine. For example, 88% of *Financial Times* readers are from the ABC1 social groups — people in professional, managerial and supervisory occupations — compared with 24% of *Sun* readers.

Frequency The number of times that your advertisement will be seen by the target audience during the course of a campaign. Frequency depends on the number of times that an advertisement appears and, in newspaper advertising, on the duplication of readership between the newspapers used in a campaign. For example, as many readers of the *Sun* also read the *News of the World*, a campaign that includes both will achieve greater frequency or 'repetition' against a target audience of *Sun* and *News of the World* readers.

The *cost of press advertising* can be expressed in two ways:

- the cost of buying space, expressed as pounds per page or pounds per column centimetre
- the cost of readership, expressed as the page cost per thousand readers, or CPT.

To work out the cost per thousand of a publication, you divide the cost of the space you would take by the number of thousands of people it would reach. For example, if your advertisement would cost £1000 and reach 20,000 people the CPT would be:

$$\frac{£1000}{20} = £50$$

CPT is a very basic way to compare one publication with another. What would be far more relevant than a general CPT figure would be a CPT of people who are actually in the market for a hotel of your standard in your area, but that is something not so easily calculated. You may however decide to try to work out a cost per thousand of 'people who holiday in the UK' or 'company directors' — many publications have details of their readership surveys which will give you a better insight into the sort of people they reach.

Information about media coverage and costs is available from BRAD — *British Rate and Data* — a comprehensive directory that is available in most libraries. Magazines, newspapers and so forth supply media information packs to prospective advertisers.

Specialist media

By their very nature, specialist media can often be the most cost effective way of reaching a particular market. An advertisement in a hotel guide has the advantage of being seen almost exclusively by people who are looking for a hotel. You are not wasting money reaching thousands of people who are not interested. On the other hand, there is a lot of competition in a hotel guide and your advertisement will need to do more than say 'we're a hotel in Blackpool' if it is to persuade anyone to seek you out. If there is a choice of hotel guides in which to appear, you may want to work out a CPT or consider which is most appropriate for your market.

If you have a convention or exhibition centre in your area, other sorts of specialist media to consider are the trade press and special interest publications. Find out what conventions and exhibitions are planned for the year, the number of visitors or delegates expected (if known) and then consider an advertisement in the appropriate publications, be they 'Bird Watchers Weekly' or the 'Accountants Monthly'. Naturally, you would avoid advertising for the periods when you would expect to be full or if the number of delegates is large enough to ensure a shortage of rooms in the area anyway.

If you are an airport hotel, or in a very popular tourist destination, it might be worth considering airlines' flight magazines.

Also remember the people who book hotels for others — travel agents and conference organisers have their own magazines.

Measuring the effectiveness of your advertising

If you are ever to know which of your advertising and promotional efforts are working for you and which are being wasted, you must make an attempt to evaluate the results. Like every part of the marketing effort, this is part science and part instinct.

Make a note below of some ways in which you can try to trace where customers have heard about you.

These are some of the ways in which you can measure the effectiveness of advertising.

- When guests register, ask them how they heard about the hotel: this might be a question on the registration form, or a part of receptionists' procedure for welcoming new guests.
- Include a question on your customer satisfaction questionnaire: Where did you hear about this hotel? (Please state publication, if through an advertisement.)
- If you have a campaign running, have a book where reservations staff must note down if anyone mentions an advertisement they have seen.
- If you are asking people to send off for leaflet/rates, include a code, such as Dept. CT125 (County Times 12 May), in the coupon to identify the different media, or give the name of a particular person to write to, or phone (Jenny Murray for the advertisement in The Surrey Comet, Helen Morton for the advertisement in The Kingston Mail). The names can be made-up, but do brief your staff well so the caller is not told 'I'm sorry there is no-one here of that name.'
- If people are phoning for leaflet/rates have a policy that staff must ask 'May I ask you where you heard about us please?' after they have taken the caller's details. Both these and written requests should all be recorded with their source of origin.
- Have a specific offer tied to the advertising. 'Bring this advertisement for a free bottle of wine with your meal/10% discount' or whatever seems appropriate to your circumstances.

By collecting information on responses to different tactics, you can start to get a better idea of what is working for you. If you are advertising on a large scale in different media you can compare for each, the cost per:

- response
- person booking.

Some media may generate a lot of requests for information but not much conversion into bookings so it is useful to look at both figures. (If you seem to be sending out a lot of leaflets with very few converting to bookings, you have to ask yourself whether it is a problem with the media choice or whether your leaflet is not living up to the promise of the advertisement. Price may also be an issue.)

By keeping a note in your records of which advertisement appeared, you may also start to see that a particular approach or wording generates more interest. Does including a price encourage or discourage, for instance?

PROMOTIONAL LITERATURE

'Promotional literature' is the term used to describe all printed leaflets and brochures.

These are mailed to enquirers, potential customers and customers, or distributed through relevant outlets such as travel agents, tourist information centres, hotel booking agents and exhibitions. They are also used to implement direct marketing campaigns and to follow up the interest created by advertising by providing more detailed information about the product.

The production of effective promotional literature depends on sound planning and careful briefing of designers, copy-writers and printers. The preparation of a brief must begin with an analysis of your objectives, in the same way as for an advertising campaign.

Select your creative team with care. When you know the sort of publication that you want to produce, ask designers and printers to show you their portfolios of similar work, be satisfied that they understand your objectives and the standard of quality that you wish to achieve, and then ask them to quote for the job in question. If you use a big design studio, the company may be able to provide the services of a copy-writer to write the text or edit material which you provide. Designers will also be able to handle the printing for you (at a fee), or, if you wish to handle the printing yourself, they should be able to advise on both the choice of printer and the print brief.

Designers and copy-writers need to know the following before they can begin work:

- promotional objectives
- budget
- sales messages
- pictures and illustrations required
- method of distribution
- timing
- target market
- information to be included
- quantities

You should have a clear idea of precisely what information you want the publication to convey to its readers. Only you, as client will have a grasp of what emphasis should be given to particular details (such as children's special menus or hairdryers in bedrooms!) which may be the special features which differentiate your product from the competition. You may therefore wish to write your own copy and supply the designer with this at the briefing stage. You can expect the designer to suggest some minor amendments to the copy if these are necessary for the balance of the page, and you and/or the designer may wish to enlist the support of a copy-writer to edit the text and effect the finishing touches. Remember that an effective page depends upon the interaction of good copy and good design.

The design process generally starts with a 'visual' and draft copy. A visual is a rough design, perhaps only a sketched layout, prepared by the designer in response to your brief. The designer will show you a visual to enable you to agree on the basic design idea, the 'creative concept'. In some situations, a finished visual will be necessary to give an accurate idea of the final effect, perhaps because the design is particularly important, or you need to present the idea to others, or try out the concept before it is finalised.

As the client, you have to make the final decisions on design and copy, and this is the point (when you are shown visuals) at which to ask questions and raise any worries you have about the design: changes made at a later stage can prove costly. Remember the importance of the consistency of your corporate identity. Does the proposed design fit in with and enhance the impact of your advertising and all other promotional items?

This is also the moment to examine the practicality of the designer's proposal. He or she may, for example, have heeded your brief that the colour photographs of your restaurant should be as large as possible, but if the resulting brochure is very large, there are various points to consider, such as special sized envelopes, extra postage expenses and the question of whether the package will go through a domestic letterbox unscathed!

Try to organise the production schedule so that you do not have to take any decisions without adequate time for due consideration of all factors.

Remember AIDA

Attention A distinct identity helps you to stand out from the crowd and attract attention. Go for clear, simple design.

Interest Customer benefits must be prominent and easily understood and product strengths and features highlighted. 'A picture is worth a 1000 words'. Full colour photographs are a great advantage in creating interest and atmosphere.

Desire An axiom of advertising design is 'Sell the sizzle, not the steak'. Design and copy shouldn't just describe the product, they should communicate the pleasures it provides so prospective customers can enjoy it in advance.

Action Should be stimulated by clear response prompts. Make sure that information is given very clearly about how to respond if the prospective customers want to purchase, and about the practical details of the product itself, such as times, bookings and prices.

A final golden rule: when you look at design and copy, ask yourself:

'Would I buy this myself?'

If you are quite happy with the visuals and draft copy, the next stage is finished artwork with type, photographs and illustration. If you are leaving your designer to handle print, you should see the finished artwork before it goes to the printers, in the interests of the avoidance of expensive mistakes. Proof read very carefully.

If you are handling print yourself, you will need to draw up a specification as a basis for obtaining competitive quotes. It should include:

- size
- quantity
- number of colours
- type and weight of paper
- finishing, that is stitching, stapling, folding
- date required
- proofing schedule.

All but the last two of these points will be dictated by the design. The question of paper type and weight is one which has considerable cost implications, and you should talk to both the designer and the printer about your choice. You would be ill-advised to spend a lot of money on good design and then print on cheap, poorer quality paper, particularly if you are working with colour.

Having agreed on a quotation, the last stage before final delivery is checking the printer's proofs. This is your final opportunity to spot errors: make sure that proofs are checked very carefully as printers will not generally accept responsibility for any errors not picked up at this stage, whether they are errors that you made in the original copy, or errors introduced later by the printers. Look at every word carefully, particularly headings, captions and so forth, which many people just glance at, concentrating on the body of the copy and so missing such howlers as KEEPING THE CUSTOMERS SATISIFIED. Some people find the best way to proof read is to read the text backwards, thus overcoming the tendency to skip familiar words.

Obtain a selection of hotel brochures from your local tourist information office. Decide which you find most appealing and in the space below list the reasons why.

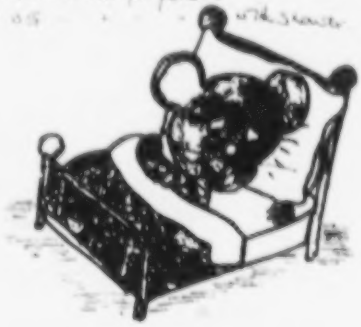
Were any of the examples you found as poor as the following?

'THE RED HOUSE'

Bed & Breakfast

Mrs. G. BELL

BOOTHAM TERRACE, BOOTHAM, YORK. Tel: 53194



COME T' YORK
AND
SLEEP'T NIGHT

WAKE UP
TO A
NICE HOT
SHOWER

Full range of Evening meals from a PROFESSIONAL MENU
(Personal diets catered for)

Only a stones throw from the famous
York Minster
You will spend days looking at
Historic York

Small enough for personal service
Large enough to accommodate

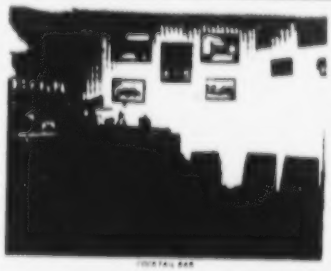
THE RED HOUSE HOTEL

Sleep in peace and wake up to a BREAKFAST ready & waiting BETWEEN:

We Provide For Your Every Need :

Hot & Cold running water
TV Room - n'Lounge
Coffee and Tea served at most times of the day.
Bar Meals - n'Snacks

!!Car Park at the HOTEL



PARADE HOTEL

Or as good as the following?

Ever Dreamed Of

having so much on offer that choice is a problem?

Do you swim in the outdoor or the indoor pool (both heated), or enjoy safe bathing in the sea?

Shall it be tennis, badminton or snooker? Croquet or squash? Mini-golf, or the pleasures of the eighteen-hole Mullion golf course a bare two miles away?

Can you coax the kids to leave the safe play area in the gardens for the special children's activity room indoors?

Do you relax in the lounge or on sheltered terrace, or step out blithely over the clifftop's springy turf?

Whatever you decide, you can be sure of enjoyment.

At the Polurrian – where dreams become reality.

Ever Wanted

a hotel that has something extra to offer?

Where you can choose to stay in the hotel or look after yourselves in your self catering apartment.

Where children are welcomed and catered for.

Where organically-grown fresh vegetables and salads come from the hotel's own greenhouses.

Where the fish is straight from the sea.

Where you can help catch it in the hotel's own fishing boat – if you don't mind an early start!

Where you can look your best for that special occasion thanks to the hotel's own hair and beauty salon.

Where forty years of family management and personal service ensure your dreams become reality.

Ever Longed

to explore some of Britain's loveliest coastal scenery at the door of your hotel?

Kynance Cove with its strange serpentine rocks. Mullion's picturesque harbour. Kennack's stretch of golden sand. The thatched fishermen's cottages of Cadgwith.

The dramatic landscape of Lizard Point. RNAS Culdrose, home of the Sea King helicopters. Goonhilly Earth Station and the marvels of satellite communication – you'll find them all – less than ten miles away.

And, further afield, Cornwall's old eternal magic beckons.

At the Polurrian – where dreams become reality.

Continuing a great tradition

If an Englishman's home is his castle, then Alverton Manor can take pride in the knowledge that it provides its guests with not only luxurious and relaxing accommodation, superb cuisine in the modern English style, but also the highest possible standard of personal service.

Right at the heart of the beautiful Cathedral City of Truro, Alverton Manor, itself, has strong associations with the splendour of a bygone era. The present building was built for the Tweedy family over 150 years ago, but an original house is believed to have been on site there over 200 years ago.

The Bishop of Truro acquired the property in the late 1880s and it was later occupied by the Sisters of the Epiphany, before being taken over by the present owners who have painstakingly restored and renovated it to its former glory.

Alverton Manor is an impressive sight on its hillside setting with fine sandstone walls, attractive mullioned windows and Cornish Delabole slate roof, proudly defending its claim to a Grade II listed building of special historical interest.

No brochure can fully evoke the privilege of living there, but Alverton Manor is simply continuing a great tradition by looking after its guests' needs as if they were their own — safeguarding its present while ensuring its future.

A VERY SPECIAL CHOICE FOR YOUR CONFERENCE

When a guest comes back to a hotel year after year and finally decides that he enjoys the atmosphere and character so much that he wants to own it, the hotel must be something quite out of the ordinary. That hotel is the Royal.

It was built in the early years of the nineteenth century, probably the first large hotel in the South of England, full of Regency grace and splendour. It first achieved international fame under the ownership of Tom Laughton, the brother of the actor Charles. Now, under the inspired direction of Robert Luff, the impresario and controller of his foundation which he formed in 1960 with his late partner Beryl Scott, and which is primarily concerned with medical research, the hotel flowers again in all its charm, individuality, and sheer luxury.

In a mass-produced age, how refreshing to find a hotel which is both comfortable and individual. And how even more unusual to find a hotel which is used to coping with large numbers, handles conferences superbly, and still keeps its individuality. And yours.

The character of the Royal adds a certain bloom to conferences held there. Since the Royal plays host to over 100 conferences a year, clearly a lot of people agree. The atmosphere is more than soothing, things. A magnificent position at the centre of Scarborough's South Bay, only a few minutes walk from the town centre. The splendid rooms. The exquisite decor and antique furniture with which they are filled. Not to mention the really, most comfortable beds and Victorian paintings and prints. It all adds up to style.

Then again there's experience to come into it. The Royal has been pleasing some fairly demanding people for over 160 years. And after 40 years of hosting conferences, probably more years than any other hotel in the country, the Royal's earned the right to be the same.

DIRECT MAIL

Mailing normally costs a lot more than media advertising, per person reached, but has the advantage of being able to give more information to a specified market. It usually has a greater chance of receiving attention than an advertisement amongst other editorial and advertising material.

Mailing is anything from a letter sent to previous clients to a lavish multi-piece production mailed to the names on a specified list.

Assume you were given a few days to organise the mailing of some new promotional material to as many potential customers as possible. Describe briefly below how you would set about getting appropriate names and addresses, and estimate how many in the different categories you would expect to get, for example past customers, people who have responded to advertisements, managing directors of local businesses.

Every hotel can make use of its list of previous guests, telling them about new facilities and special rates. These days, with widely available computer software to enable a standard letter to be automatically personalised with different names and addresses, it is relatively easy to create professional mailings to keep in touch with everyone who has used your hotel. If you have a large hotel and more sophisticated computer systems, you should be able sort your names and addresses by different criteria, such as:

- guests who stayed at weekends
- guests who spent more than £x
- business people
- exhibitors at exhibitions
- small conferences and courses.

In addition to your own mailing list, mailing lists can be bought for a certain price per thousand names, the price depending on various factors. These lists are compiled from all sorts of sources (people who live in certain areas, buy certain goods, subscribe to certain magazines, hold charge cards, are members of professional organisations and so on) and you can often be quite specific about what you want, for example, managing directors of all companies of more than 100 employees in the Manchester area or travel agents in Scotland.

Be careful about the quality of the lists you buy. Lists should have specific names rather than job titles and you should check how recently the list has been up-dated.

If you wish to explore this method of promotion, it is advisable to contact a Direct Mailing Agency who can advise you on lists as well as having the specialist skills to prepare effective direct mail material.

If you are preparing your own letters, bear in mind the check points given on the page opposite.

A high proportion of unsolicited promotional literature is never seen by the target, and a higher proportion still goes straight into the bin. So it is vital to grab the attention of the recipient from the start. Unusual ideas which have had some success include:

- a large box which is found to contain an inflated balloon with a sales message
- a packet containing sand: inside the sand was a folded message promoting a beach holiday
- a colour picture postcard of the view from the hotel with a handwritten sales message on the back (handwritten messages can, in fact be printed)
- a sales message on a luggage tag
- mailing a reduced version of the actual restaurant menu
- a restaurant promotion in the shape of a wine glass.

Writing a good sales letter

- Every letter should be individually typed — a simple job with a word processor, so if you don't have one, use a typing bureau or a free-lance secretary who does. Photocopied letters always look impersonal.
- Address the recipient by name — Dear Mr Withers, Miss Lloyd, not Dear Sir or Madam; if you haven't got the names, try Dear Neighbour, or some other appropriate word.
- Use an eye catching headline.
- Gain the reader's attention with the first 12 words or so.
- Keep the letter to one sheet unless there is a good reason for a longer letter.
- Appeal to the reader's curiosity by asking questions, linking to local events.
- Use lots of 'you's', and very few 'we's', 'I's' or 'they's'.
- Use short sentences, a maximum of 20 words in each. Where it will add impact, and reinforce what has been said in a previous paragraph or sentence, start sentences with 'And' or 'But'. The occasional sentence without a verb can also be effective. It is generally better to be a little too informal, rather than too formal. You are unlikely to use expressions like 'Thanking you in anticipation' in conversation, so avoid them in sales letters.
- A PS at the end of the letter will be read by most people, so is a useful way of drawing attention to your reply form, or mentioning a secondary selling point. A handwritten PS will stand out even more clearly.
- Emphasise one or two major selling points — the benefits to the customer.
- Say what is special about your offer, and who says so — but don't over-praise your products.
- Highlight your special menus, events, entertainment and so on, and refer to enclosures.
- Establish clearly what you want the reader to do: respond by telephoning, completing an attached reservation form — consider including something that will help you monitor the response, perhaps a voucher.

PUBLIC RELATIONS

'Public relations' is a very broad term used to describe various marketing and business activities, the purpose of which is to promote an awareness of, and favourable response, to a product.

'Public relations' is generally abbreviated to 'PR', but it is useful to remember what those letters stand for: *public relations*, the relationship which you have with the public, that is your customers, your potential customers, opinion formers, the media, the competition, and many other such important groups, upon whose favourable opinion much depends.

Good relationships in any situation depend upon clear communication, understanding, sensitivity to the fears, needs and wishes of the other party. Persuading another person or group of people to think in a certain way about something, is a task which requires confidence, strong communication skills, tact, imagination, a pleasant and enthusiastic manner and also that you be well informed on the subject in question. The very same applies to 'PR'.

The aim of a public relations campaign is:

- to draw the attention of target groups, stimulate their interest in and engender a favourable response to a product through communications other than paid media.

Planning a PR campaign involves:

1. Identifying the target groups.
2. Defining the messages to communicate to each group and the attitudes to create.
3. Selecting the appropriate technique, or combination of techniques, to reach each group with the appropriate message.

PR target groups include such diverse categories as:

- the general public
- prospective customers
- local communities
- professional bodies
- special interest groups
- opinion formers
- politicians and officials
- trade organisations.

Obtaining free press and media publicity

Free publicity is an attractive idea, with the result that the media is saturated with press releases and only the best have a chance of attracting attention.

To be successful in obtaining free publicity, you must be prepared to devote considerable time, energy and thought to it. Do not expect instant success. Concentrate on your local press first. Find out the names of their key staff, spend time getting to know them, from time to time, wining and dining them.

Don't be inhibited about the press story (unless you think it will damage the image of your hotel). Journalists like an unusual story. If you interest and involve your colleagues and staff, you will often get some good ideas.

Telephone your contacts first, and tell them in a sentence or so why the story you are sending will interest their readers.

Many companies hire a PR consultant to do the job for them. If you are contemplating doing this:

- check out who will be working on your account
- provide a specific, written brief, with set targets so that the results can be measured
- decide yourself how you want to be perceived
- talk to prospective PR consultants first: most will hold an initial chat for no charge; also talk to other users of that particular consultant.

Creating a professional press release

- Have headed paper with 'Press release from: Best Hotel (logo) address' on it.
- Write your news item as it might appear in the paper — the publication may edit or change it, but if it hits the right style and is concise they may even use it as it is.
- Compose an attention-getting headline to begin the story.
- Do not use 'we/I' but write in the third person: 'the Best Hotel/it/they/general manager, John Clever'.
- Answer all the questions the reader is likely to want to know — what, when, where, why and how much it costs.
- Include a quote or two from the manager, or whoever is relevant, to add interest.
- Keep the story short, ideally one page.
- If you feel it is necessary to give some background information, say the hotel was recently upgraded, add this in the form of 'Notes for editor' at the end of the release.
- Press releases should be typed, in double spacing. Any notes for the editor can be typed in single spacing.
- If you don't want the information published until a specific date, add 'Embargoed until (date)'.
- End with 'More information is available from:' and your name or someone whom the press can speak to if they want to take the story further. Give the phone number (even if it is on the press release letterhead).
- A good photograph is usually welcomed. It should be an 8 x 10 inch glossy black and white print (unless the magazine is entirely printed in colour), and a 'news' photograph is preferable to a staged portrait. The caption should be typed on a self-adhesive label and attached to the back of the photograph. (Don't write on the back of the photograph — there is a risk the writing will show through, or the pressure of the pen damage the surface of the photo.)

Use the space below to draft a press release announcing a recent newsworthy event at your hotel.

Show your press release to a colleague. Did it gain the person's attention, create interest, and lead to action? Compare what you have written with the following example.

BEST HOTEL OPENS NOTTINGHAM'S FIRST CARIBBEAN RESTAURANT

Pirate's Prawns, Grilled Swordfish and Lime Mousse are just a few of the exotic dishes you can enjoy at the new 'Antigua' restaurant at the Best Hotel in Nottingham.

This is Nottingham's first Caribbean restaurant and every detail has been considered to create an authentic tropical atmosphere, from the spectacular decor to the fresh orchids on the table.

Guests can sip a Planters' Punch amongst the palms in the adjoining bar before going to their table.

On Fridays and Saturdays, the hotel plans to have a steel band cabaret so that guests can enjoy the sounds of sunshine as part of their total Caribbean experience.

A three course meal will cost around £15 per person.

The hotel's general manager John Clever comments "This new restaurant represents a major investment for the hotel and we believe it provides something really different for anyone who wants a special evening out, or an unusual venue for a business lunch."

More information is available from: John Clever, telephone (0206) 455321.

BEST COPY AVAILABLE

TELEPHONE SELLING

Particularly for group sales, active telephone selling and inviting prospective clients to view the hotel and have a meal in the restaurant, is a direct and effective way to generate more business.

Clients who have held conferences or seminars before should be contacted to see if they are planning any further functions. People who have answered your advertisements should be contacted to see if they need any further information, or to invite them to visit if they are group business decision makers.

A combination of telephone sales and direct mail letters can open up new markets such as auditors, bank inspectors and official receivers visiting the area, exhibition stand builders, and buyers making visits to local factories. You could even try contacting estate agents and getting them to recommend your hotel to people who are visiting the area to view property.

Even the best telephone selling techniques will be wasted if people phoning your hotel are dealt with inefficiently.

Establish a procedure which anyone in your hotel must follow when receiving telephone calls. The basic rules will be:

- Always have a pen or pencil and a message pad by every telephone. Don't rely on scraps of paper; don't risk delays in dealing with the caller because there is nothing around to write with; don't rely on the memory — even if the message is delivered later, some of the details are bound to be muddled up or forgotten.
- Answer the telephone promptly.
- Greet the caller with 'Good morning', 'Good evening' or whatever is appropriate, give the name of the establishment and offer to help. In some hotels staff identify themselves as well.
- Transfer the call to the right person without delay.
- Don't leave the caller holding for more than 30 seconds without apologising and reassuring him or her that the call is being dealt with. If the caller cannot be connected with the appropriate person within two minutes or so, apologise and offer to take a message so the call can be returned.
- Give the name and, if appropriate, job title of the person calling to the person taking the call.

Making telephone sales calls

- Set your objectives for the call: it might be to get the potential customer to visit you for lunch and see your function room. Do not be over-ambitious with your objective: it is very difficult to obtain a booking from just one telephone call.
- Make the call yourself. If you ask your secretary to do so, that will mean the person has to be kept holding on while the call is transferred, irritating in itself, and the person is likely to spend those moments wondering what the purpose of the call is going to be, and you will have additional resistance to break through.
- Have all the information in front of you, both about the prospective customer and the products that the person or company might require.
- Make sure that you will be not interrupted during the call.
- Smile when you talk. It may sound silly, but the smile is transmitted in the tone of your voice.
- Identify yourself by name, and also the name of your establishment. Don't rely on the person's secretary to have passed on your name.
- Use the person's name during the call.
- Take notes. Pencil and paper should always be at hand.
- Don't push if it is apparent that your call is unwelcome. Perhaps the prospect is busy at the time you call. Give a brief indication of why you are phoning — expressed as a benefit to the person — promise to ring back, and try to establish a time when it will be convenient to speak again.
- Keep the conversation as short as possible.
- Conclude the conversation by summarising action agreed, and saying thank you or goodbye.
- Update your records, and follow up, for example by sending a brochure and a note to confirm arrangements for a meeting.

Any method which tells more people about you in an appropriately image-building way can be considered for its likely cost effectiveness. The next section looks at how imaginative pricing strategies and special offers can help maximise occupancy.

SECTION 4
Pricing strategies

After completing this section you will be able to:

evaluate possible advantages and disadvantages of different pricing strategies and special offers

consider a number of alternative approaches to filling extra rooms on specific nights of the week or seasons of the year.

MAXIMISING OCCUPANCY

Whether you have a problem with particular seasons, nights of the week, or both, you may well need to identify new markets rather than rely on existing ones. Perhaps it is simply a case of making yourself known to different markets which would use your facilities at other times of the week or year, by using the methods outlined in the previous section. However, a new market may have different needs and further action, such as a price reduction, may be necessary to make your establishment attractive to those people.

Assume you are asked to look into the possibility of selective price reductions in your hotel. Note below what advantages, and what disadvantages such a move might have, and briefly describe a few options for reducing prices selectively.

The advantages of price reductions can be:

- attracting more customers
- filling rooms that would otherwise be empty
- above break-even occupancy, most revenue from the room is profit.

Disadvantages are:

- some customers may take advantage of reductions who would otherwise have been prepared to pay full rate
- dilution of maximum revenue possible if all rooms could be sold at full rate
- customers who have enjoyed price reductions may become reluctant to pay the full rate in future.

Bearing these factors in mind, the possibilities to consider are:

- Across the board reductions for low season months/mid week/weekends as appropriate. Most hotels already have different seasonal tariffs and sometimes more inventive action is called for.
- Special price for a partner sharing a room to increase double occupancy and usage of restaurant where too many rooms are being taken with single occupants. Offering accommodation for three people for the price of two, or, in the restaurant, four meals for the price of three.
- 2/3/7 night break rates to encourage guests to stay more nights.
- Family weekend rate for children sharing parents' room.
- Special reduction for advance (how long?) guaranteed booking.
- Long stay (1 month?) winter rate for pensioners if resort hotel.

You were probably able to think of other variations. Your business pattern and problems will dictate which is most suitable for you.

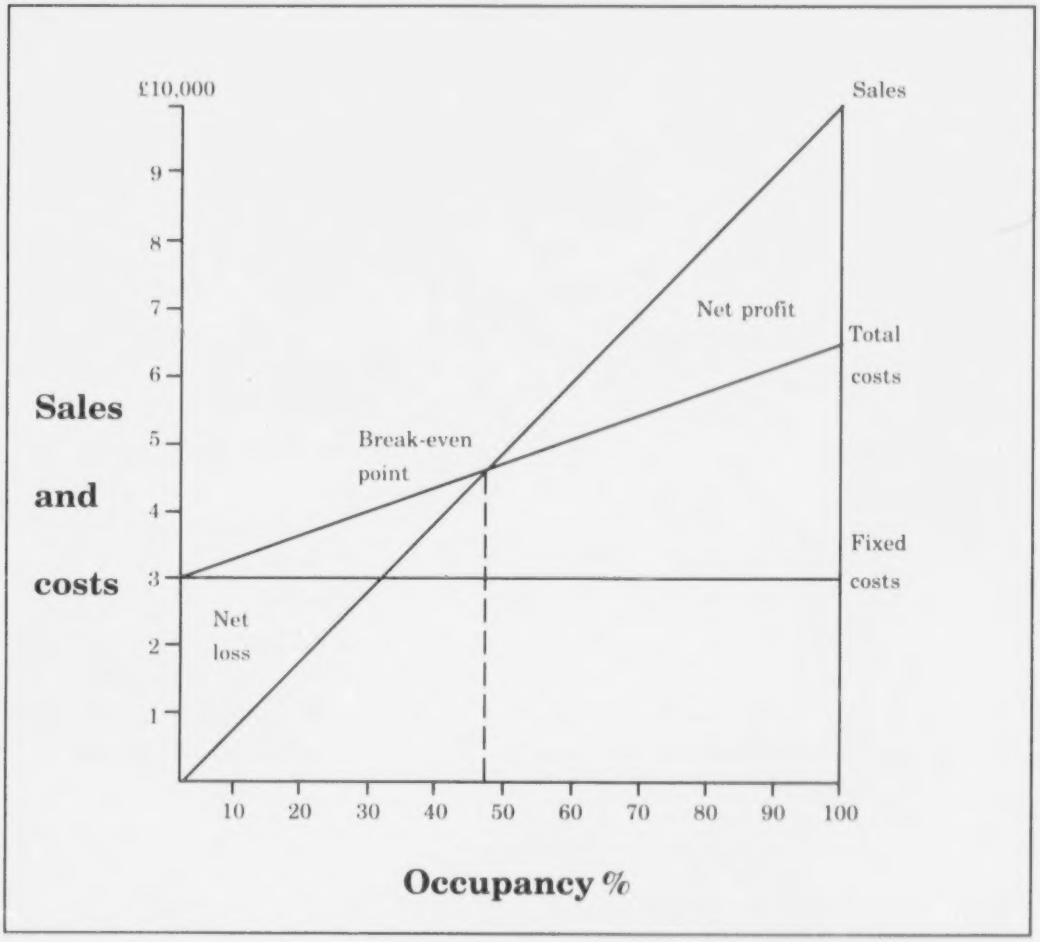
Price reduction is not something you want to get into without serious consideration. Ask yourself first if there is any way you can fill those rooms without reducing the price.

To make decisions regarding price you need all the relevant figures in front of you:

- fixed costs of the hotel: overheads which remain the same however many rooms are occupied
- variable costs: room servicing and additional staff costs which rise as occupancy rises
- current room rates.

MAXIMISING OCCUPANCY

The following break-even chart shows how the fixed and variable costs can be plotted on a graph. The room revenue line is drawn to the point which represents the revenue in £'000's if all rooms were occupied at full rate. At the point where the costs line intersects it, a vertical line can be drawn to show what percentage occupancy is necessary at full rate. The costs line is also a useful reference point for decisions about pricing, because it can be seen how much revenue needs to be generated at any level of occupancy to meet costs. Remembering you want to make profits not just break even, you can start working out how different pricing policies could effect the picture.



It is worth considering for a few moments how airlines have dealt with pricing. Airlines are in a similar business to hotels: selling spaces. Nothing can be done tomorrow about the beds or seats which could not be sold today.

Currently, their basic policy is:

1. To keep prices as high as possible and add extra services for those who must travel (business travellers).
2. To encourage people to make a commitment and pay a non-refundable deposit well in advance to get a cheaper fare. This helps cash flow and gives a good indication in advance of how full the flight will be.
3. To offer standby fares as a last minute way of filling seats which would otherwise have been empty and thus, if the flying costs have been met, contribute directly to bottom line profits. Probably the number of people who are prepared to experience the uncertainty and inconvenience of waiting on standby for a bargain when they would otherwise have paid a higher fare, is small enough that it is a good policy for airlines. But would it work for hotels too if, for instance, they offered a special low rate for anyone arriving after 9 pm?
4. To work with tour operators, hotel companies and cruise ship operators to offer attractive, all-inclusive packages.
5. To develop special outlets (the 'bucket shops') through which spare capacity can be sold at low prices with the minimum of conditions.
6. To keep fares in line with inflation and the cost of fuel, except where severe market pressures dictate an across-the-board reduction on certain routes (the airlines decision to reduce all fares on the North Atlantic route, to counteract the affect of the Gulf War).

Added value offers

These are often preferable to price reductions:

- their perceived value can be more than it costs you to provide
- they can give you something to promote which attracts new customers without undue loss of revenue.

Examples:

- a free bottle of champagne for couples on weekend bookings
- free photocopying, wake-up call and newspaper for business guests
- conference hotels could throw in all the frills as part of the conference package, rather than charging extras
- free meals for children under 10 staying in their parents' room.

Special events

If you have a suitable function room or restaurant, special events like a Halloween Disco, Midsummer Dinner or theme evening based around a local historical character can create good publicity for the hotel. They give people the opportunity to sample the hotel so that they return on other occasions. They can also be used to boost occupancy for the night if a special room rate is included — many people these days would welcome the possibility of staying rather than worrying about whether to drink or drive.

Special groups

If your hotel has function rooms, longer events with an overnight stay can be created, and special group rates offered. There are many possibilities, such as a bird-watching weekend with a guest speaker and outings to nearby countryside, a wine appreciation weekend, an antiques fair or a bridge tournament.

For small hotels any group activity may be a new market and you might start in a modest way. For example, equipping a large room as a board meeting room, promoting it to local companies for daytime meetings and conferences, and offering a special rate to anyone staying overnight in the hotel.

List below some ideas which might help increase occupancy in your hotel, involving a different pricing strategy, special offers and special events.

Pre-paid reply cards

Pre-paid reply cards can be provided to organisers of functions at your hotel or major events in the district, to tell their guests that they recommend your hotel. If your functions are the responsibility of a separate banqueting department, the reception manager should check each week if there are new bookings where the organiser could be approached with this concept.

If the organiser agrees to the concept, details should be entered in a *pre-paid reply cards record book* giving the date, the name of the organisation and the number of cards supplied. The number of bed nights achieved should be entered when the function is complete.

Reduced rate extra night

When a lot of rooms are going to be empty on a particular night in the near future, a letter can be given to every arriving guest who plans to leave on the morning of that day offering them a reduced rate if they choose to stay on an extra night.

Commercially Important People (CIPs)

However wealthy people are, everyone likes receiving a gift, particularly if it is a surprise. For example, tickets to the theatre, Wimbledon, an important football match, or the Chelsea Flower Show, flowers or fruit to guests on their birthday.

Promote your function room for wedding receptions

Consider: free suite for bride and groom for receptions of over a certain number of people, special overnight rate for guests. If the hotel's owner has a Bentley or Rolls Royce, persuade the owner to allow it to be used free for weddings held at the hotel.

Coach tour market

If your hotel is of a sufficient size and in a tourist location, you may consider trying to get on coach tour operators' programmes. Coach companies feature both inclusive holidays, with a week or two staying in a particular hotel, and tours where clients are in a different hotel each night.

An influx of a large group expecting competitive group rates for one night each week could be a problem for some hotels. It might mean turning away individual guests who would have paid full rate and maybe stayed more than a single night. If the night the tour operator needs you happens to be a night when you usually end up with a large number of rooms empty, and it is not going to adversely affect the previous or following night's trade, it would obviously be useful business.

If you think your hotel has the potential to specialise in coach tours, you could explore the possibilities by contacting tour operators whose tours or holidays visit your area, to find out more about the sort of rates and facilities they expect and the numbers involved.

Weekend breaks

A survey of weekend breaks offered by British hotels (*Caterer and Hotelkeeper*, 14 March 1991, Bob Gledhill) included the following:

- motor racing tuition break, guests are taught in a race-prepared saloon or single-seat racing car (Crossroads Hotel, Weedon, Northamptonshire)
- four-wheel drive break over rough terrain in Pennines with guide; marketed through North Sea Ferries with a target of mainly German and Dutch four-wheel drive owners (Imperial Hotel, Harrogate)
- fitness weekend with body condition checks, workouts, low-calorie foods (Spa Hotel, Tunbridge Wells)
- golf at midnight break, guests tee-off at midnight after evening dinner using night light golf balls, with the course lit by flares (Tudor Park, Maidstone)
- doggy weekend with obedience training, demonstrations of sheepdogs, search and rescue and police dogs (Aviemore Highlands Hotels)
- Fawlty Towers weekend, manic confusion from staff with restrained rudeness; initially sold as a corporate package to electronics company which wanted to see how staff coped under pressure; drew extensive media coverage, including national daily newspapers (Stakis Victoria, Nottingham)

- racehorse interest weekend, tour of stables, museum and stud, watch training (Bedford Lodge Hotel, Newmarket, Suffolk)
- Gilbert and Sullivan weekend, concerts, workshops, guests dress up and join in (Swan Hotel, Newby Bridge, Cumbria)
- learn to fly weekend, with flying lessons (Esseborne Manor, Andover, Hampshire)
- hangover break (in January), guests given a wide range of whiskies in order to obliterate the hangovers of Christmas and New Year with another one; drew tremendous PR coverage (Appleby Manor Hotel, Cumbria)
- generation gap break, children get free accommodation when they stay with their grandparents (Falmouth Hotel, Cornwall)
- haunted inns tour, supported by booklet chronicling the history of nearby 'haunted' pubs and places; mentioned in 3 TV programmes, 19 radio programmes and 50 articles (Dolphin Hotel, Southampton)
- musical recital breaks, with live performances of classical music (Cliveden, Taplow, Buckinghamshire)
- clay pigeon shooting (Keavil House Hotel, Dunfermline, Fife)
- final fling weekend: last weekend for couples getting divorced, package includes dinner and a solicitor; drew enormous press coverage (Down Hall Country House, Bishops Stortford, Essex)
- dry slope skiing weekend, with equipment hire and time on the slope (Bruntsfield Hotel, Edinburgh)
- falconry tuition, guests learn how to handle hawks then go hunting in the grounds for rabbits (Eastwell Manor, Ashford, Kent)
- children's weekend hosted by Cyril the Squirrel who organises group activities while parents go off on their own (Stakis Hotels)
- mix 'n' match activity, guests choose from riding, shooting, skid-pan tuition, shopping trips and rambling, for example (Compass Inn, Tormarton, Avon)
- genealogy weekend, with classes on how to research family history (Burton Hotel, Kington, Hereford & Worcester)
- mother-in-law honeymoons, 3-person package, where bridegroom and bride bring along single mother-in-law (Highcliffe Hotel, Bournemouth, Dorset).

Some of the weekend break ideas began as gimmicks to attract media coverage. They not only succeeded in that objective but attracted guests and are likely to be repeated.

MAXIMISING OCCUPANCY

In the following three sections you will have the opportunity to consider a number of ways in which day-to-day reservations procedures also contribute to maximising occupancy. However good your long-term planning, if your reception department is not effectively run, it can seriously undermine your other efforts to maximise occupancy and profitability.

It is not within the scope of this self-study unit to review and recommend a complete system of procedures, but the fundamental points which relate to maximising occupancy will be covered. Inevitably, procedures vary from hotel to hotel, and you will need to consider if your current procedures should be modified, or new ones introduced to take into account points raised here which you consider useful and relevant to your establishment.

SECTION 5
Overbooking

After completing this section you will be able to:

- state the advantages and disadvantages of overbooking
- establish when overbooking is desirable
- establish what level of overbooking is desirable
- minimise the necessity for overbooking
- deal with an overbooked situation.

Overbooking is a practice which most reception managers and staff wish wasn't necessary. If a guest turns up and no room is available it is they who have to handle the situation as diplomatically as possible, they who will bear the brunt of the guest's anger or irritation. Yet many hotels book beyond their capacity on a regular or occasional basis. They know that, if they didn't, there would be rooms empty which could have been filled, because some guests with reservations fail to show up, guests leave early or cancel at the last minute.

The objective of any overbooking policy should be to overbook by the number of guests who won't arrive and thus reach maximum occupancy without turning anyone away at the door — but of course there is no magical formula which can allow this to happen.

Before deciding your hotel's overbooking policy you need to consider the advantages, disadvantages and alternatives.

The advantage of overbooking is that it can maximise occupancy and revenue.

The disadvantages make a longer list but these can be minimised, although not altogether neutralised, by careful management:

- lack of control
- loss of repeat business from guests who are turned away
- bad reputation if guests are turned away
- increased costs in finding guests alternative accommodation
- pressure on staff.

If the objective of overbooking is to cover for no-shows, the need for overbooking can be reduced by cutting down the number of reservations which do not convert into a full room on the day.

This can be approached by:

- increasing the number of guaranteed bookings (see Section 6)
- careful scrutiny of records on a daily basis to spot any booking errors and double bookings.

If despite all possible measures being taken to reduce the necessity for overbooking, it is still felt to be necessary for your hotel to overbook, setting the amount of overbooking is a critical factor which will require knowledge of your hotel's business. It will also need monitoring on a daily basis to take into account the different variables which will effect the outcome.

State below what factors you would consider before determining an acceptable level of overbooking for a particular day.

The factors to consider include:

- how far ahead the day concerned is
- the proportion of guaranteed and non-guaranteed reservations
- the proportion of groups and individual bookings
- number of rooms in the hotel
- usual percentage of no-shows and last minute cancellations amongst guaranteed and non-guaranteed bookings (you could work out a percentage over the last year, for each of your different markets)
- proportion of guests who will be arriving and proportion already in residence
- the situation for the following days
- the time of year/day of week and likelihood of room requests on the day.

You may also want to set some constraints on the overbooking, according to the situation for the following days. For instance, if the following day is much less busy, you might accept a certain number of bookings for two nights or more only. If the following day is already overbooked, you might accept bookings for one night only. (Booking constraints are dealt with in more detail in Section 6.)

Dealing with overbooking in advance

Generally, the further ahead the period you are looking at, the more desirable it is to overbook. Months ahead, many of the bookings may be unconfirmed group options, some of which are unlikely to materialise.

On a smaller scale, if yours is a hotel which specialises in individual bookings, and you are full for a peak period months ahead, you could take the view that there are likely to be one or two cancellations before the time and so you could overbook by that much. Alternatively you might decide that, as that period is always in demand, you will have no trouble filling rooms later if bookings are cancelled, so there is no need to run the risk of overbooking. Requests can always be wait-listed and contacted if vacancies arise.

Once a night or period appears to be at maximum occupancy, you need to review the make-up of the bookings and start following up groups which are only booked on a provisional basis. Checking with the tour operator or conference organiser may give you a better idea of the probability of the group materialising even if they cannot definitely confirm yet. If you have previous experience with the particular group organiser, you will also have a record of whether some or all of their option is usually taken up. If you explain you are almost full for the proposed period and ask if there is any of their option they will not need, they may be relieved to release some of it back to you if bookings have not been going well.

Groups should always have a deadline date by which to confirm their numbers or the space will be released. This could be as far ahead as 18 months for a very large group, or seven days for a small one in a large hotel during a quiet period. Confirmation should be in writing with a deposit or voucher.

Dealing with overbooking a week or few days before

This is the time to check up on all non-guaranteed bookings made more than a few days ago. Phone calls must be made to these people to check whether they still want their reservation. If they do, they should be asked to convert to a guaranteed reservation, if possible by giving a credit card number or forwarding a deposit or travel agents voucher. Any reservations accepted without a guarantee should give their time of arrival and they should be told 'we'll hold your room until (2) hours after stated time of arrival'. Written confirmation that they require their reservation is necessary. If it is a company which has made the booking, ask them to fax or telex their confirmation.

Check any correspondence relating to the period and make sure arrival and departure dates have been entered on your charts or computer correctly. If a letter states a booking period such as 12-15 May but doesn't say inclusive, check which nights are required.

Always offer to wait-list guests you can't immediately accommodate and call them back if space becomes available. This retains them as a probable booking without actually overbooking them. If they have settled on somewhere else by the time you call them back, it still helps good relations and they will probably call you first next time.

Dealing with overbookings on the day

On the day, or better still the night before, if you appear to be full, nearly full or overbooked, further action is necessary to ensure no business is turned away which may still be needed, and hopefully to ensure that no-one with a reservation arrives to find himself or herself without a room.

Describe below what the procedures are at your hotel for dealing with overbookings on the night before, or the day itself, so that hopefully no guest arrives to find that no room is available.

Here are some general procedures for dealing with overbookings on the day.

- Check all correspondence against the arrivals list to make sure details are correct.
- Check with any group organisers whether their group numbers are still the same as confirmed. Sometimes people drop out at the last minute. You can also use the opportunity to check other details confirmed (such as meals required) which enables you to give the correct service. (If the group is a touring group, it is useful always to find out in advance their previous night's hotel.)
- On the day, check that everyone who should have booked out has booked out.
- Check if anyone has left who wasn't due to leave today.
- Check whether there are still any non-guaranteed reservations — can the potential guests be contacted by phone? What time can their room be released?

If the worst happens and, despite your best efforts, you find you're a room or two overbooked, what do you do?

Here are a few guidelines for dealing professionally with the situation.

- Check first whether there are any spare rooms in the hotel which can be used — for instance staff rooms, rooms being renovated/repaired. Check with the housekeeping staff whether anyone appears to have left who was not due to leave today.
- Decide from amongst those still to be accommodated, who it will do you least damage to book out to another hotel. Don't choose important people in large companies, people booked by a travel agent who can give you more business, regular guests, Japanese guests, someone who has had a guaranteed booking for months or someone you have booked out before.
- Be prepared for overbooked guests when they arrive. Have an alternative hotel of similar standard already arranged, be prepared to call a taxi and pay for it if they do not have their own transport.
- The reception manager (or, if she or he is unavailable, the most senior member of reception staff) should be the one to explain the situation apologetically to the guest.

Guaranteed and non-guaranteed bookings

The greater the proportion of guaranteed bookings you achieve, the less necessity there is to overbook, so it is worth training reception staff to convert enquiries to guaranteed bookings whenever possible.

Ask potential guests for a credit card or charge card number or a travel agent's voucher as appropriate. Explain, if necessary, that they can still cancel up to 12, or whatever, hours before arrival, but they must ask for a cancellation number or they could be charged if their room is not then filled.

Charging guests for rooms when they haven't turned up is not the most desirable outcome of a guaranteed booking. You and they will be much happier if the room is cancelled, hopefully in time for you to resell it.

Explaining your policy in advance, and that they must be given a cancellation number so that you can trace the cancellation, ensures the system works for both sides. Of course you must have a cancellation record and train staff to always give a cancellation number.

Establishments where guests book well in advance for a week or fortnight's holiday can consider a system where a non-refundable deposit (for example 10%) is paid to confirm the booking. Depending on the type of establishment, it might also be appropriate for the balance of the full amount to be paid a few weeks before arrival. Travel insurance, bought through travel agents, provides cover for guests who have to cancel the holiday they have paid for because of serious illness or family death.

Actual availability and selling availability

It is worth noting, that computerised reservations systems usually have 'Actual availability' and 'Selling availability' modes. If you intend to overbook by a certain number of rooms, you can input these rooms into 'Selling availability' and, if staff then work in this mode, they will automatically take bookings to the desired level of overbooking.

The next section looks in more detail at the setting up of a reservations control system.

SECTION 6
Setting up a reservations control system

After completing this section you will be able to:

list possible booking constraints

apply booking constraints to maximise occupancy and profitability.

MAXIMISING OCCUPANCY

A reservations control system enables you to puts restraints on selling all types of rooms or some types of rooms, or on selling rooms at particular rates or for particular lengths of stay, all according to the current booking situation.

For example, if you have a special reduced weekend rate and the hotel is getting full for that weekend, you may put a restriction on selling any more rooms at less than full rate. Alternatively, you may always allow only a set percentage of the total number of rooms to be sold at lower rates, if you know the rest are likely to be taken at full rate.

Implementation of such a system enables you to control occupancy more effectively and helps you maximise revenue.

Much of what follows is based on applying these constraints through a computerised reservation system, but obviously the principle can also be applied to other systems. If a computer is not used, some thought will be needed to establish a way in which staff taking a telephone enquiry can easily read what constraints apply.

Here is a list of possible booking constraints. Each would be represented on the computer by a particular symbol or letter.

Closed out Applying this marker to a room type will prevent anyone making bookings.

Closed to discounts This will prevent anybody making a reservation which is a discounted tariff type. In effect, this will result in the best revenue being achieved by closing out to discounts.

Closed to hotel discounts Generally speaking, hotels offer two types of discounts: discounted, and heavily discounted tariffs. Individual establishments could vary the interpretation of this constraint according to their own business. Large hotel groups have certain heavily discounted tariff rates for large multiple companies or organisations. Often these accounts are handled by a central reservation centre and this constraint could apply. On the other hand, this booking constraint could represent the hotel discount which is a one-off type tariff rate, often negotiated by a salesperson at a local level.

Closed to minimum stay A marker is set against the day which marks the start of the minimum stay period, a second marker against the day which marks the end of the minimum stay period. For example if the first marker was against a Monday, and the second against a Wednesday for the same week, that would indicate that bookings could not be accepted for less than the three days: Monday, Tuesday and Wednesday.

Closed to one night stay If this marker is set against a heavily booked night, this will stop bookings for one night only being accepted for that day, but allow bookings for longer stays which include the heavily booked night.

Sell through marker This constraint closes reservations to arrivals on a heavily booked night, but allows reservations to be accepted for the immediately preceding days for two or more nights which include the particular day.

Closed to single occupancy This constraint is useful in resort hotels, for example, when there is a sufficiently strong demand for double/twin rooms at the full rate, and so a decision is made not to let double/twin rooms for single occupancy at a lower rate.

Closed to network access Where the hotel company has a reservation network system through to a central reservation office, this marker would stop anybody, other than the hotel itself, from making bookings.

Closed to individual tariff This marker would stop sales of accommodation at a particular tariff, for instance weekend rate.

The activities on the following pages will give you an opportunity to consider how setting booking constraints could improve reservation procedures in your hotel.

The activities are based on a 30-bedroom hotel, all rooms with bath:

3 singles (S)	4 doubles (D)
6 triples (TRP)	3 twins (T)
5 executive doubles (EXD)	5 executive twins (EXT)
4 suites (SUIT)	

It is late July, and a tour operator asks you for 20 rooms for the period 1 to 4 August inclusive, at full rate. This is the booking situation for the period 1 to 9 August as shown on your computer screen. By happy chance your room availability on most days matches the tour operator's requirements and budget: 3 singles, 4 doubles, 6 triples, 3 twins and 4 executive doubles. Your decision is to accept the booking:

- *note below why you think this is the right (or the wrong) decision*
- *update the screen*
- *briefly explain how you would deal with the overbooking that now occurs.*

ACTUAL AVAILABILITY FROM 01 AUG 11:44

TYPE	MON/01	TUE/02	WED/03	THU/04	FRI/05	SAT/06	SUN/07	MON/08	TUE/09
S	3	3	1-	3	3	3	3	3	3
D	4	4		4	4	4	4	4	4
TRP	6	6	6	6	6	6	6	6	6
T	3	3	3	3	3	3	3	3	3
EXD	5	5		5	5	5	5	5	5
EXT	5	5	5	5	5	5	5	5	5
SUIT	4	4	4	4	4	4	4	4	4
TOTAL	30	30	17	30	30	30	30	30	30
OCC %	0	0	43	0	0	0	0	0	0

By accepting the booking you are maximising occupancy and revenue, the next step is to look at the status of the other bookings for 3 August, when you are overbooked. (You will have the opportunity of checking that you have updated your screen correctly later.)

Your investigation reveals that a number of your other bookings for 3 August are non-guaranteed. You have also checked that the other bookings are correct, and that all the accommodation will be available on the day concerned (the housekeeping or maintenance department confirming that no rooms will have to be taken off that day). Describe below what further action you would take.

- Close out the singles, doubles, triples, twins and executive doubles for 3 August, so that no more bookings are accepted for these rooms.
- Contact the non-guaranteed reservations. Some you would be able to telex or fax, and this has the advantage of encouraging greater urgency in their reply. Others you would have to try and contact by telephone.
- You would ask these clients to guarantee their reservation, explaining why this is necessary and the implications if the reservation is not taken up (the client would still have to pay for the accommodation reserved).

Consider what action you should now take to maximise hotel occupancy and revenue for the week commencing August 1. Study the screen as it now appears: the marker 'c' indicates the rooms which have been closed out.

ACTUAL AVAILABILITY FROM 01 AUG 11:50

TYPE	MON/01	TUE/02	WED/03	THU/04	FRI/05	SAT/06	SUN/07	MON/08	TUE/09
S			4-c		3	3	3	3	3
D			4-c		4	4	4	4	4
TRP			c		6	6	6	6	6
T			c		3	3	3	3	3
EXD	1	1	4-c	1	5	5	5	5	5
EXT	5	5	5	5	5	5	5	5	5
SUIT	4	4	4	4	4	4	4	4	4
TOTAL	10	10	3-	10	30	30	30	30	30
OCC %	66	66	110	66	0	0	0	0	0

If you were unable to contact a number of the non-guaranteed reservations, and felt there was a chance that some of them would not materialise on the day, you might decide to allow for further overbooking on 3 August, changing the room availability from -3 to 4, for example, to allow 7 more rooms to be reserved.

To maximise revenue on the previous day, and to spread the risks of overbooking on 3 August, you might decide not to accept any arrivals for the executive twins and suites on 3 August, but you would accept bookings for these rooms which were for a minimum of 2 days, arriving 2 August, or 3 days, arriving 1 August.

Thirdly you might decide that the boo' ng situation for the period 1 to 4 August is so satisfactory that further bookings should only be acc.. t at the full tariff (no discounts).

Update the computer screen for each of the days 1 to 4 August in the light of the decisions you have just made. Use the following codes to indicate the markers:

c closed out *d closed to discounts* *s sell through*

ACTUAL AVAILABILITY FROM 01 AUG 12:01

TYPE	MON/01	TUE/02	WED/03	THU/04	FRI/05	SAT/06	SUN/07	MON/08	TUE/09
S					3	3	3	3	3
D					4	4	4	4	4
TRP					6	6	6	6	6
T					3	3	3	3	3
EXD					5	5	5	5	5
EXT					5	5	5	5	5
SUIT					4	4	4	4	4
TOTAL					30	30	30	30	30
OCC %					0	0	0	0	0

This is what your screen should now look like.

ACTUAL AVAILABILITY FROM 01 AUG 12:07

TYPE	MON/01	TUE/02	WED/03	THU/04	FRI/05	SAT/06	SUN/07	MON/08	TUE/09
SI	d	d	4-cd	d	3	3	3	3	3
DO	d	d	4-cd	d	4	4	4	4	4
TRP	d	d	cd	d	6	6	6	6	6
T	d	d	cd	d	3	3	3	3	3
EXD	1 d	1 d	4-cd	1 d	5	5	5	5	5
EXT	5 d	5 d	9 ds	5 d	5	5	5	5	5
SUIT	4 d	4 d	7 ds	4 d	4	4	4	4	4
TOTAL	10	10	4	10	30	30	30	30	30
OCC %	66	66	86	66	0	0	0	0	0

The next section looks at other reception control systems for increasing efficiency and maximising occupancy.

SECTION 7
Other reception control systems

After completing this section you will be able to:

identify a number of information/control systems to increase reception efficiency

use these systems to help maximise occupancy.

Information is one of the keys to successful reception management. Even a small hotel can benefit from keeping relevant records and in a large organisation where a number of people are involved in reception duties, it is essential that pertinent facts are easily to hand as either written or computerised records.

The following systems can be considered for their relevance to your establishment.

Reception group enquiry book

Firstly define how many people constitute a group (it could be as few as five but ten is a more usual figure). Then, all enquiries for a group booking, whether accepted or not, should be entered in the book.

Details which would normally be recorded are:

- date the enquiry is made
- name of the group
- number and type of rooms provisionally reserved
- date of arrival and number of nights
- initials of receptionist who handled the enquiry
- contact name and telephone number for group
- whether the booking is accepted or refused
- whether the booking is confirmed or cancelled (this can be entered later for provisional bookings).

Imagine you are the reception manager of a large hotel handling a considerable number of group enquiries. Bearing in mind the information which has been recorded in the reception group enquiry book (see opposite), list below ways in which you could use the information.

Here are some of the ways you might use the information in the reception group enquiry book:

- To check if bookings were refused which should have been accepted (spot check with computer or charts).
- If your hotel is part of a group, to check if the enquiry was sold into another group hotel if yours was unavailable.
- To check how long bookings have been outstanding without confirmation.
- To identify staff who are particularly successful or unsuccessful at converting enquiries into bookings.
- To work out a percentage of enquiries which convert to definite bookings each month. This is useful for determining improvements or deterioration in performance and also for comparison with the same month last year.
- To check whether the best procedures were followed in cases where valuable potential groups subsequently cancelled. Was the client invited to visit the hotel? Did the correspondence itemise the customer benefits from using your hotel? Did the letters promise to make further contact (better than leaving the next action up to the client) and was this contact made when promised?
- To identify and contact any group which has recently been refused, should another group cancel for the same dates.
- To identify valuable groups which you were unable to accommodate this year, but which you would like to contact in time to be considered for their business next year.
- To check whether valuable business which books later is regularly being turned down because cheaper groups have already been accepted.

'Business you want back' records

Having accommodated group business, and hopefully provided good service, you are in a good position to retain the business in following years in any situation where the function is a regular event in your area. Details of these valuable potential groups should be methodically kept and they should be contacted at a suitable time to get their future business.

Computerised records are ideal and the computer can provide a print out each week or month of group organisers which should be contacted. Alternatively, a similar record can be kept on index cards which, once completed, should be filed under the date when contact is to be made.

A typical computer entry might be:

```
Multiwork                    Name of company
Michael Jones                Name of contact
2                            Identification number for type of event e.g.
                             conference or exhibition
030392                       Date on which to contact
030991                       Date on which the group last stayed with
                             us
048500                       The value of the booking
0714459876                   The telephone number
```

There should also be a space to enter the result of the contact — whether the group re-booked and, if not, why not. This information is useful for monitoring sales efforts and highlighting any problems with the facilities or service which are losing the hotel repeat business.

Potential group business which was refused, or which decided on another hotel, could be added into this system so they appear on the date to be contacted for future business. They would need to be identified as refused or cancelled, so the person making the contact could approach them in the right way.

A *telephone call report* is a useful supplement to this system, giving a working document to record full details of the contact. These reports are kept in contact date order in bulldog clips on the office wall, one clip for each month of the year. Over the page is a suggested format.

TELEPHONE CALL REPORT

NAME TELEPHONE NUMBER

CONTACT

BUSINESS WANTED

RESULT

TRACE DATE .....

.....

.....

.....

Brochure and tariff follow-up book

Any requests for brochures and tariffs should be dealt with by return of post and a record made in a *brochure follow-up book* so the potential client can be telephoned a few days later to see if they require any further information. This call also gives the opportunity to convert the enquiry into a definite booking.

The brochure follow-up book should include the following information:

- date request received
- name
- telephone number
- potential date of arrival (if known)
- result.

Entertaining information forms

Entertaining is an important and inexpensive opportunity to promote the hotel to potential group business decision makers. To ensure maximum benefit is achieved, a form should be filled in by the executive who entertains as soon as the client has left. This should be given to the general manager who can then confer with the front office manager and sales director to determine what further action is required.

Over the page is an example of a suitable form.

ENTERTAINING INFORMATION FORM

COMPANY NAME TELEPHONE NUMBER

CONTACT NAME

Does the company use hotels for:

	Yes/No	Numbers	Organiser	Month	Decision date
Annual dinner					
Chairman's dinner					
National sales conference					
Regional sales conference					
Training courses					
Annual general meeting					
Exhibitions					
Sales incentive awards					
Graduate selection boards					
Social club functions					
General bookings					
Overseas visitor groups					
Permanent bookings					
General entertaining					
Board meetings & lunches					
Retirement awards & dinners					
Long service awards					
Product launches					
Show rooms & stock rooms					
Cocktail parties & press receptions					
Distributor functions					

Does the client have need of accommodation for private social functions, or know of friends who do have such needs? (Golf club dinners, Masonic ladies nights, sports club events, old boys/girls reunions, armed forces reunions, etc.)

a.

b.

c.

d.

e.

Any other useful information?

Signed Hotel Date

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Overs and unders sheet

Once each week a hotel should produce an overs and unders sheet which shows the booking situation for the next 90 days.

The advantages of this information are

- You can check whether the hotel should have been blocked off with central booking office, overseas representatives and similar reservations sources.
- Easy identification of gaps which need attention.
- Easy comparison of this forecast with actual performance. If bookings have been turned down for a particular night and then the hotel has empty rooms, the reasons can be investigated.

Here is an example of an overs and unders sheet: the number in brackets indicate overbooking, for example, for the 12 January.

Overs and Unders Form

HOTEL ..SPLENDIDE..... DATE ..7 JAN...

JANUARY

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Singles							36	34	57	12	(3)	4	14	38	42	60	10	12	(2)	(1)	14	38	27	49	14	16	17	33	47	58	
Twins							24	28	59	15	(2)	7	18	33	47	58	8	15	(6)	(8)	10	32	40	55	11	15	20	31	33	46	

FEBRUARY

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Singles																												
Twins																												

This completes this self-study unit. If your hotel has leisure facilities, you will benefit from working through the three *Leisure Management* units:

- *The Leisure Experience* — provides an understanding of the nature and scope of the leisure market, and the key trends and developments. By showing how the different elements interact, it will enable management to identify and exploit opportunities.
- *The Leisure Operation* — looks at four key elements in the development and management of a leisure operation: evaluating options, putting the development process into practice, preparing an operational plan, setting standards of customer service.
- *Promoting Leisure* — explains the basic philosophy of the marketing approach as it applies to a leisure business and what functions are included in that process. It gives an understanding of the methods that can be used to market leisure products and services, and how to plan the marketing of leisure.